



Financing Rochester's Storm Water Management Program

STORM WATER MANAGEMENT PROGRAM

It's difficult to see all of Rochester's vast storm water management system. Much of the system is underground or appears to be part of our natural environment. Conveying storm water away from developed areas and preventing water pollution requires a substantial financial commitment.

Currently, storm water management activities are funded with:

- Property taxes for operating expenses,
- Property taxes for capital improvements such as storm sewers installed as part of street construction projects,
- Grading plan fees paid by developers, and
- Storm water management charges paid by developers to construct regional storm water ponds.

FEDERAL AND STATE STORM WATER REQUIREMENTS

The Federal Environmental Protection Agency passed regulations that now require Rochester, and many other cities, to more aggressively prevent storm water pollution and control runoff to improve water quality. The Minnesota Pollution Control Agency manages the storm water permit that requires Rochester to significantly expand its storm water management program. The permit requires Rochester to:

- Provide information to residents and businesses about pollution prevention and seek public input on storm water planning,
- Construct retention and drainage systems to control the quantity and quality of storm water runoff,
- Detect and eliminate prohibited discharges to the storm water system,
- Control sediment loss on construction sites of one or more acres,
- Map the entire storm water system,
- Update and enforce storm water ordinances, and
- Reduce pollutant runoff from all City facilities and operations.

Rochester's 2003 storm water management budget is \$2.4 million. A \$3.5 million budget will be needed in 2004 to continue the existing storm water management program and to remain in compliance with the new, federally mandated, but unfunded, storm water program requirements.

PROPOSED STORM WATER UTILITY

The City Council is considering the adoption of Storm Water Utility to create and fund a new, non-property tax supported business unit for the storm water management program. If adopted, the Utility will authorize the collection of a Storm Water Utility Fee that would appear as a monthly charge on the Rochester Public Utility bill. Adoption of the ordinance would be pursued for fall 2003 with billing to start in January 2004.

All property owners will be charged a Fee based on the size of the property, land use, and amount of developed, or impervious, surface area. The Fee is

the most equitable way to finance Rochester's storm water program because it is proportional to each property's storm water runoff contribution.

The following Fee formula was applied to each parcel of property:

$$\text{Fee} = (\text{property parcel size}) \times (\text{Land Use Factor}) \times (\text{Storm Water Unit Rate})$$

- Property size is based on the County's property tax parcel database.
- The land use factor is based on the percent of impervious area on each property and contribution of storm water quantity and quality. Aerial photography was used to determine the percent of impervious area.
- The storm water unit rate is the rate adopted by City Council resolution to calculate the Fee.

Organizations that are exempt from property taxes, such as churches, school districts, and the City of Rochester, will also be charged a Fee.

For non-residential property owners, the Fee formula will be applied to each parcel of property owned.

Owners of single-family homes and duplexes will be charged a flat fee of \$3.75 per month. The Fee is based on average property size and average impervious surface area. Property owners of rental units will be charged the non-residential rate.

REVENUE SUMMARY

Revenue Source	Preliminary 2004 Budget
Property taxes	\$0
Storm Water Utility Fee	\$2,962,000
Storm Water Management Plan charges and grading plan permit fees paid by new development	\$528,000
Total	3,494,000

Storm sewers associated with roads will continue to be installed as part of road construction projects.

EXPENSE SUMMARY

Expenses	Preliminary 2004 Budget
Capital improvements (storm sewer lines, ponds, etc.), site inspection and enforcement, grading plan review	1,725,000
Management of illicit discharges and system mapping	68,000
Improved materials management, pond maintenance, street sweeping, and other operations and maintenance	869,000
Public education, public participation and program management (debt retirement, depreciation, billing, taxes and fees)	828,000
Total	3,490,000

ANSWERING YOUR QUESTIONS

Review information posted on the Storm Water Web Site:

www.rochestermn.gov/stormwater. Contact Rochester Public Utility Customer Service at 507- 280 -1500 or webrequest@rpu.org